BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Low-Income Assistance Programs. Rulemaking 01-08-027 (Issued August 23, 2001)

ASSIGNED COMMISSIONER'S RULING REGARDING CARE PROGRAM FUNDING FOR 2002

In response to my February 27, 2002 ruling, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) filed information on California Alternate Rates for Energy (CARE) funding and estimated expenditures for 2002. Each of these utilities anticipates a shortfall in current funding authorizations to cover the expected costs of rate subsidies or administrative costs (or both) during 2002.

The Commission will need to address these shortfalls through a ratemaking proceeding. By today's ruling, I direct the utilities to file applications describing their proposed CARE administrative activities and budgets for 2002, by expenditure category, and estimating rate subsidy costs through the end of 2002. The filings should include a detailed description of the basis for these projections, as well as the utilities' proposals for ratemaking treatment of

119149 - 1 -

¹ PG&E, SDG&E, SoCal and SCE are referred to collectively in this ruling as "the utilities".

anticipated shortfalls. The utilities should coordinate with Energy Division to develop a standard format for this information. In particular, there should be consistency in the presentation of subsidy costs with respect to the CARE customer exemption from the 1 and 3 cent electric rate increases.

I note that Senate Bill X1 2 authorizes the recovery of CARE program administrative costs through a balancing account mechanism, provided that the Commission determines these costs to be reasonable. In their filings, the utilities should provide enough documentation of their planned expenditures and activities to facilitate a "before the fact" evaluation of reasonableness (via preapproval of the expenditures and associated budgets by Commission decision) and propose specific procedures to employ an "after the fact" reasonableness review of such expenditures. Criteria for reasonableness should be proposed and discussed in the utility filings.

Therefore, **IT IS RULED** that:

- 1. Within 20 days from the date of this ruling, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall file applications describing their proposed California Alternate Rates for Energy administrative activities and budgets for 2002, by expenditure category, and estimating rate subsidy costs through the end of 2002.
 - 2. The applications shall be consolidated into one proceeding.
- 3. Comments on the applications are due within 15 days from the date of filing, and replies are due five days thereafter.
- 4. All filings and comments shall be filed at the Commission's Docket Office and served electronically on all appearances and the state service list in this proceeding. Service by U.S. mail is optional, except that one hard copy shall be

mailed to Judge Meg Gottstein at P.O. Box 210, Volcano, CA 95689. In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon). Parties that prefer a hard copy or electronic file in original format in order to prepare analysis and filings in this proceeding may request service in that form as well. The current service list for this proceeding is available on the Commission's web page, www.cpuc.ca.gov.

Dated March 29, 2002, at San Francisco, California.

/s/ CARL WOOD

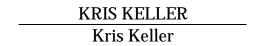
Carl Wood

Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling Regarding Care Program Funding For 2002 on all parties of record in this proceeding or their attorneys of record.

Dated March 29, 2002, at San Francisco, California.



NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at $\left(415\right)$ 703-2074, TTY 1-866-836-7825 or $\left(415\right)$ 703-5282 at least three working days in advance of the event.